

Midwestern states have traditionally enjoyed or suffered, depending upon your point of view, hot summers and cold winters. Weather conditions may be changing to where both our winters and summers may be milder. This will affect utility tax revenues.

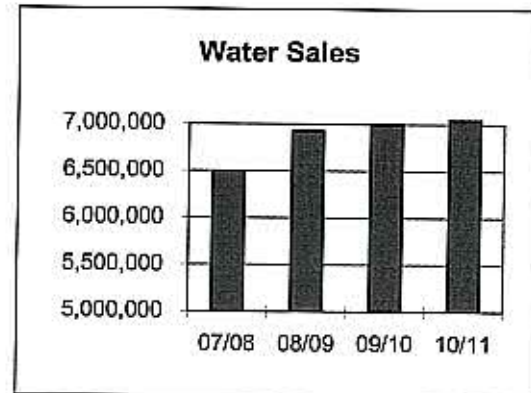
The following table shows the 2009/10 budget for this revenue source:

<u>Source</u>	<u>Budget</u>	
Gas Utility Tax	\$1,175,000	
Water Utility Tax	\$320,000	
Electric Use	<u>\$1,430,000</u>	
Subtotal	\$2,925,000	
Telecommunications Tax	<u>\$1,825,000</u>	
Total	<u>\$4,750,000</u>	Account 100-814000

**Budget Assumptions** – Due to the complex nature of the utility industry, legislative changes, and changing weather conditions, accurately predicting total revenues is extremely difficult. 2009/10 budgeted revenue is \$4,750,000.

**Water Sales**

	<u>Amount</u>	<u>% Inc (Dec)</u>
2007/08	6,491,800	(3.1%)
2008/09	6,929,300	6.7%
2009/10	7,000,000	1.0%
2010/11	7,255,000	3.6%



The city of Park Ridge purchases Lake Michigan water from the city of Chicago and maintains water mains that distribute this water to Park Ridge businesses and residences.

Budgeted revenues and expenses are highly dependent upon water usage. Water usage is in turn highly dependent upon weather conditions. For example, if the summer weather is hot and dry, water use increases partially because of lawn watering. In order to stay within state mandated water allocations, the City must impose restrictions upon water usage during the summer months.

Water purchases from the City of Chicago constitute the single largest expense in the water fund. Since January 2000, the city of Chicago has raised water rates annually usually from a range of 3 – 4%. On January 2008 and January 2009, the City of Chicago raised rates 15%. Rates will increase 14% on January 2010.

The City of Park Ridge completed construction on a new water reservoir and transmission line. The cost of this nearly \$17 million project is paid from Uptown incremental tax financing revenues and water revenues.

Current bi-monthly water rates are:

Up to but not exceeding 5,000 gallons	\$25.68
Over 5,000 but not exceeding 30,000 gallons	\$3.97/1,000 gallons
Over 30,000 gallons	\$4.43/1,000 gallons

Staff recommends that we increase water rates 5%. This will allow the City of Park Ridge to pay the City of Chicago for the increased cost of water supply and pay for the other increases in operating and capital (watermains, Potter/Dempster right turn lane). If rates are increased 5%, the new bi-monthly rates will be:

Up to but not exceeding 5,000 gallons	\$26.96
Over 5,000 but not exceeding 30,000 gallons	\$4.17/1,000 gallons
Over 30,000 gallons	\$4.65/1,000 gallons

**Budget Assumptions** – With a 5% rate increase, fiscal year 2009/10 budgeted revenues are \$7,000,000 and the deficit in the water fund will be \$404,400.

### Other Revenue Sources

The City has other revenue sources besides those listed above. These other revenues consist of the following:

#### Ambulance Fees

Ambulance charges for non-residents are as follows: \$472.00 for basic life support; \$555.00 for advanced life support; \$668.00 for advanced life support with two services and \$8.68 per mile for mileage with a one-mile minimum. Ambulance charges for residents are as follows: \$349.58 for basic life support; \$415.13 for advanced life support; \$600.85 for advanced life support with two services and \$6.55 per mile for mileage with a one-mile minimum. We expect modest growth in this account as the population ages. There is a significant time delay in the collection of ambulance receipts. Total 2009/10 budgeted revenue is \$640,000.

#### Animal Licenses

Residents must purchase a \$10 dog or cat license annually. Licenses are due June 15; payment is made simultaneously with vehicle licenses. Total 2009/10 budgeted revenue is \$35,000. Rates were last increased in 2006.

#### Building Permits

Building permits must be purchased prior to construction. Permit fees vary depending upon the nature of the construction. Total 2009/10 budgeted revenue is \$1,000,000. This revenue source functions in the same manner as the economy (if economic conditions are positive, the revenue is positive, and vice versa).

#### Business Licenses

Business licenses are issued annually and are valid from January 1 through December 31. Business license fees vary depending on the type of business. Rates for retail sales establishments vary depending upon square footage. Total 2009/10 budgeted revenue is \$170,000.

#### Cable TV

The local cable carrier must remit 5% of total revenues monthly to the City as payment for a franchise agreement. Total 2009/10 budgeted revenue is \$430,000. The City has two cable providers (Comcast of Illinois and AT&T Cable). The City Council approved AT&T Cable in October 2007. The budget includes four quarterly installments from Comcast of Illinois (\$106,000 x 4 = \$424,000) + MFS Telcom Right of Way (\$1,500) + AT&T, T Mobile, Nextel, and Sprint Nextel (\$500/each).

#### Court Fines

Court fines are received from tickets issued by police officers. These fines are collected by Cook County and remitted to the City monthly. The City employs four full-time police traffic officers and owns a scale to weigh overweight trucks at the Public Works Service Center. In 2005/06, we increased the fine structure. 2009/10 budgeted revenues are \$190,000.

#### Fines – Adjudication

Three types of fines come before the city's adjudication court. They are: overweight trucks, municipal code violations (examples – underage drinking, improper railroad crossing), and building violations. In fiscal year 2008, the city received \$85,200 in general court fines, \$8,300 in zoning violations, \$3,500 in health violations, and \$57,300 in municipal code violations. Budgeted 2009/10 revenue is \$150,000. The adjudication system began in 2005.

Beginning in May 2009, the City will install a red light camera at Oakton and Northwest Highway. The consultant estimates the City will realize \$86,800 if the camera captures five citations daily and \$134,000 for ten citations daily. Staff added \$110,000 (average) to adjudication fines for this new revenue source.